



Preparing for US-CAFTA Negotiations

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US-CAFTA Timetable

- Zoellick notification letter to Congress
 - October 1, 2002: started 90-day clock
- Ministerial Launch of Negotiations, Washington, January 8, 2003
 - 5 negotiating groups + TCB Group
 - Nine rounds of negotiations in 2003
 - Framework to address immediate sanitary and phytosanitary (SPS) problems
- Nine negotiating sessions
 - San Jose, Costa Rica, January 27-31
 - Cincinnati, February 24-28
 - El Salvador



US-CAFTA Timetable (continued)

- Costa Rica meeting
 - No specific negotiating proposals tabled
 - U.S. discussed Chile and Singapore FTAs to provide a sense of U.S. objectives to negotiating counterparts
 - Market access to be addressed in 3rd or 4th session
 - SPS working group established pursuant to Washington launch



US-CAFTA Timetable (continued)

- Scheduled conclusion—December 2003
 - U.S. private sector push to conclude negotiations earlier
 - Congressional/election considerations
 - Fast-track
 - Political pitfalls (labor, sugar, etc.)

Organization of negotiations

- Coordination problems among Centrals
 - Rotating “chairman”
 - Uneven expertise
 - Negotiating group leads
 - Secretariat function
 - Trade policy overlap
 - Common external tariff
 - Resolve conflicting domestic policy issues
- Dominican Republic and Panama

Organization of negotiations— Formal groups

- Merchandise trade
 - Industrial goods: zero tariff
 - Textiles and apparel: rules of origin
 - SPS measures
 - Technical barriers to trade (TBT)
 - Rules of origin/customs administration
 - Safeguards

Organization of negotiations— Formal groups (continued)

- Services and investment
 - Investment
 - Services
 - Financial services
 - E-Commerce
 - Temporary entry
- Institutional issues
 - Dispute settlement
 - Transparency
 - Other institutional provisions



Organization of negotiations— Formal groups (continued)

- Special issues
 - Government procurement
 - Intellectual property
- Labor and environment
- Trade capacity-building (non-negotiating group)

TCB needs—Preparing negotiations

- Policy decisions
 - Competition from U.S. goods and services in domestic market
 - Increase domestic competitiveness and productivity over time
 - Economic picture/political consequences
 - Identifying winners/losers—tariff stagings, safeguards, and transitional measures
 - Involvement of political leadership
 - Preparing for transition



TCB needs—Preparing negotiations (continued)

- Negotiating experience and expertise
 - Training needs
 - Services
 - Other capacity issues
 - E-commerce
 - Safeguards

TCB needs—Preparing negotiations

(continued)

- Outreach—Building political acceptance
 - Business community
 - Civil society
 - Environmental impact assessment